

Star Stone Quarries, Inc.  
4040S 300W  
Salt Lake City, Utah 84107  
Tel. (801)262-4300 Fax (801)262-4474

RECEIVED

JAN 13 2000

DIVISION OF OIL, GAS & MINING

January 12, 2000

Mr. D. Wayne Hedberg  
Permit Supervisor  
Division of Oil, Gas, and Mining  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

m/003/024  
m/003/026  
m/043/012  
m/051/001

Dear Mr. Hedberg:

I made **draft** copies of the **draft** surety FORM MR-RC (Interim Surety) and filled them out. There are some changes indicated. I am faxing the completed **draft** copies to you for review.

1.) Cotton Thomas: Change the operator from American Stone, Inc. to Star Stone Quarries, Inc. The surety amount is \$29,000; not P29,000. This is the original amount of the surety, not escalated.

1.) Heber: Change the operator from American Stone, Inc. to Star Stone Quarries, Inc. The surety amount is \$28,000; not #28,000. This is the original amount of the surety, not escalated.

1.) Peoa: Change the operator from American Stone, Inc. to Star Stone Quarries, Inc. The surety amount is \$25,000. This is the original amount of the surety, not escalated. (There are no corrections to this amount).  
The original Notice of Intention was dated October 24, 1998.

1.) Rosebud: Change the operator from American Stone, Inc. to Star Stone Quarries, Inc. The surety amount is \$15,083.83. This is the original amount of the surety, not escalated. If \$15,083.83 is inflated at the current rate of 3.27% for 5 years the escalated dollars will be \$17,716.69. We do not understand how DOGM came up with the inflated figure of \$36,000. Please correct the escalated dollars to reflect the correct costs.  
The original Notice of Intention was dated July 14, 1999.

I am faxing only one set of pages 4, 5, and 6 of the **draft** surety. They are the same on each of the sets. I have added the name of the property to the **draft** copies. If the copies get mixed up, they will be easier to identify for correct reassembly. I will send maps and a copy of the appropriate certificate of deposit with the completed contracts. After your review, let me know if I need to make changes in the data provided.

American Stone, Inc. was recently split into an operations corporation and a sales corporation. The operations corporation is the operator of the stone quarries and is responsible for all stone production. The operations corporation is now under the name "Star Stone Quarries, Inc."

Sincerely,



Lon Thomas  
President, Star Stone Quarries, Inc.